

**COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS & BUSINESS REGULATION  
DIVISION OF ENERGY RESOURCES**

**MASSACHUSETTS  
RENEWABLE ENERGY PORTFOLIO STANDARD**

**Adjustment of the  
Alternative Compliance Payment (ACP) Rate  
for Compliance Year 2007**

**January 24, 2007**

The Massachusetts Renewable Energy Portfolio Standard (RPS) regulations at 225 CMR 14.08(4)(a)2, provide that the Division of Energy Resources “shall publish the ACP Rate by January 31 of the Compliance Year. The ACP Rate shall be equal to the previous year's ACP Rate adjusted up or down according to the previous year's Consumer Price Index.” Compliance Year is defined in the regulations as a calendar year.

The ACP Rate for Compliance Year 2003 was established in the regulations at \$50.00 per MWh, and each subsequent year has been adjusted according to the Consumer Price Index as shown in the table below.

The Consumer Price Index (CPI)<sup>1</sup> for 2006 is 215.0, up from 207.5 in 2005, an increase of 3.61%.<sup>2</sup> Accordingly, the ACP Rate for Compliance Year 2007 has been determined to be \$57.12 per MWh.<sup>3</sup>

<b>Year</b>	<b>CPI</b>	<b>ACP Rate</b>
<b>2002</b>	<b>188.2</b>	<b>n.a.</b>
<b>2003</b>	<b>193.5</b>	<b>\$50.00</b>
<b>2004</b>	<b>200.2</b>	<b>\$51.41</b>
<b>2005</b>	<b>207.5</b>	<b>\$53.19</b>
<b>2006</b>	<b>215.0</b>	<b>\$55.13</b>
<b>2007</b>		<b>\$57.12</b>

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<sup>1</sup> For this purpose, the DOER is using the “Consumer Price Index - All Urban Consumers, Northeast Region All Items, Not Seasonally Adjusted.” Source: U.S. Bureau of Labor Statistics, on-line via <http://data.bls.gov/cgi-bin/surveymost?cu>.

<sup>2</sup> Calculated thus:  $(215.0 / 207.5) - 1 = 3.61\%$ .

<sup>3</sup> Calculated thus:  $\$55.13 \times 1.0361 = \$57.12$ .